NOW'S THE TIME to Beautify YOUR HOME

OREGON BANKS COOPERATE IN LOAN PROGRAM

Building Business Revival Hastened by Financial Aid Under Insured Credit Plan.

By JAMIESON PARKER
State Director, Federal Housing Administration

Oregon banks and other lending institutions which are cooperating with the federal housing administration to speed the revival of the building business in this state, have made sufficient capital available for lending in the form of insured loans, to carry the Oregon building program into record volume.

The stability of Oregon communities and the soundness of the federal housing program also has attracted capital from outside the state, eager for investment in home loans approved by the federal organization.

All of Oregon's more important financial institutions have been approved as mortgagees under the single mortgage system of the national housing act and more than 40 of them are now participating actively in the program. More than 500 applications for insurance of mortgage loans have been submitted to the Portland office and there is in prospect for Oregon a year of genuine building revival.

A year's test of new mortgage practices — many of them pioneered under the operation of the National housing act — has charted an optimistic course for building in 1936.

The coming season will be marked by an even more abundant supply of mortgage funds, wider usage of the long-term mortgage and almost universal improvement in construction practices, influenced by a standardized appraisal system based on minimum property standards.

Safety Loosens Cash

A freer flow of mortgage funds from the centers of supply into communities where funds are normally scarce is directly attributable to the increased safety which is currently available to the home buyer and the mortgage lender.

The insurance protection and other safeguards placed around the insured home mortgage by the federal housing administration are largely responsible for this change, although it must be admitted that the long-term feature of the insured mortgage adopted by nearly all mortgage lenders today in itself accounts for a measure of safety for those who borrow or lend, even without the added protection of insurance.

Financing Costs Cut

The whole aspect of mortgage lending is changed today largely because of the reforms introduced under the national housing act. Home financing charges have been reduced all over the country as a consequence, and the uniform interest rate established under the housing act serves to restore health and vigor to mortgage lending and consequently to the nation's residential construction.

For the first time in several years, during which we built as few houses as possible, we are upon the spring building season with home building and financing facilities in accord with our building needs. This should put us on the road toward reduction of our housing shortage, a highly desirable objective for the present.

Hesitation Vanishes

This is a marked change since the insured mortgage system of the federal housing administration went into operation early last year. At that time financial institutions in certain sections looked resistantly on this type of investment, due, primarily, to the possibility of their tying up large sums for long periods, without the facility for speedy marketing if occasion should arise.

The first of the mortgages were negotiated one at a time and the approved mortgagees watched their course through the insuring office with interest. One was out of the way before another application was filed. Presently the institutions, having been impressed with the care with which the applications were handled by the federal housing administration, made definite allotments of funds for such investment and loans were made with greater speed and assurance.

The condition continued until the institutions began to realize that there was a ready sale for insured mortgages. Several life insurance companies announced their intention of buying them. One purchased a block of $100,000. At least one brokerage concern ran advertisements in the newspapers offering to buy insured mortgages at a slight discount and offering to sell them at a substantial premium. A deal was carried through in New York involving the sale of $125,000 worth on this basis.

The obvious demand for insurance mortgages made the financial institutions realize more than ever their value as an investment which could be sold in short order if the raising of funds became necessary. In consequence, particularly in the New York and New Jersey areas, they have informed federal housing officials that they are ready to negotiate such mortgages in volume. They have announced they have additional funds, chiefly in amounts of $100,000 and $200,000 for this type of investment.

There are now five ways an approved financial institution desiring to invest in insured mortgages may raise cash on them if it becomes necessary:

1. They may sell the mortgages to other lending institutions, such as banks, trust companies, and building and loan associations, that have been approved as mortgagees.

2. They may sell them to trust funds held or administered by an approved banking institution acting in a fiduciary capacity.

3. They may sell them to approved life, fire, marine and casualty insurance companies, which have facilities for servicing.

4. They may sell them without recourse to the reconstruction finance corporation mortgage company.

5. They may use them for collateral for loans from federal home loan banks, the borrowing to be limited to 90 per cent of the face value.

The disposition on the part of most banks is, however, to hold in their own portfolios the insured mortgages they have made. This is due to the fact that the yield is better and the investment sounder than that of many other first-class securities. While the federal housing administration does not attempt to fix a minimum interest rate on insured mortgages, it has established a maximum of 5 per cent. In sections of the country where the rate ordinarily has been more than that, the 5 per cent now is customary. In addition to the interest, the lending institution may collect a maximum service charge of half of 1 per cent, on decreasing balances.

The federal housing administration officials have been gratified particularly at the attitude of financial institutions toward the risk-rating procedure set up for negotiating the mortgages. A sincere effort has been made to fix a proper valuation on the properties involved and the ability of the borrowers to carry out their contracts, and this has been recognized by the institutions to an extent that many of them are willing to invest without investigation of their own. Housing administration has gone into the details completely, including inspection and appraisal of the property, and the ability of the borrower to pay the debt, is sufficient.

HOUSING PLAN SPURS DEMAND FOR LUMBER

(Continued from page 7.)

ly with the old short-term mortgage which had to be renewed every three or five years. Interest costs have been reduced and the deadly second mortgage eliminated.

"In place of the old system and its many hazards," it was pointed out by Director Parker, "we now have a plan that protects the lending institution through the Mutual Mortgage Insurance fund, and that protects the borrower because of the property standards and construction supervision and offers a plan of repayment in convenient monthly installments.

"Loans can be made by approved lending agencies for the purchase or construction of houses, and for refinancing existing mortgages. The amount of the loan can be for as much as 80 per cent of the appraised value of the property, and can be made for as long as 20 years. This makes a small monthly payment which includes all fixed charges against the property.

"In my opinion, this act is a sound and far-reaching step toward recovery. It definitely places the responsibility upon private capital and private initiative, and with full acceptance of this responsibility by business and the public alike, the many benefits offered in the program can be enjoyed by all."

TAX LOAD EASED UNDER FHA PLAN

Single Mortgage System Benefit to Cities and Reduces Costs.

Collection of taxes on home properties which are in process of being purchased or refinanced under the single mortgage system of the National Housing act, has been reduced to a positive and very simple procedure, according to Jamieson Parker, state director of the housing organization. The system also relieves participating home owners of the necessity of making usually burdensome large tax payments every year or half year. Under the FHA plan, tax payments are included in the convenient monthly installments which are applied on the mortgage debt.

Plan Explained.

The complete home financing plan, it was pointed out, makes it possible for families of moderate income to build or buy homes or refinance mortgages on existing properties on the monthly payment plan. It renders home ownership easier, safer and cheaper than it was under the old system which required that mortgages be refinanced every few years.

There are no renewals under the FHA plan. The final monthly installment completes the payment in full.

Many Benefit.

Many thousands of families throughout the country are enjoying the benefits of this worry-free home financing plan and the number is increasing at the rate of more than one thousand every week, Parker stated.

"We feel that the time is near at hand," he said, "when every responsible family having a home financing problem will insist on the protection of the single mortgage system of FHA. With the general adoption of the system the country never again will be in danger of such a collapse of the home structure as occurred in 1929."

CREDIT INSURED BY FHA MOUNTS FAST

(Continued from page 7.)

credit plan had reached a total volume of more than $3,500,000 at the end of February, distributed among more than 13,300 borrowers.

It is estimated that an additional $20,000,000 has been spent in Oregon in cash and uninsured credit since the inauguration of the federal housing program and chiefly as a result of federal housing activities.

PROCEDURE FOLLOWE IN OBTAINING LOAN

(Continued from page 7.)

amount available when they first become due.

"I have nothing but praise for this federal housing administration program, and I have found many of my friends very much interested. They probably will decide to build a house real soon, too. I almost forgot to mention that the FHA is really an insurance company, and I understand that there is a good possibility that I will get back most of the money I pay in for mortgage insurance premiums. They tell me that, even with a reasonable amount of losses the insurance fund that is built up will be large enough to pay off the balance due on my loan at the end of 17 years. What other plan even offers such a possibility?

"I can't find a single thing about this program that isn't to my advantage. You certainly can count on me to praise the entire wok of the federal housing administration."

FINANCE PLAN FOR HOMES TO BE EXPLAINED

(Continued from page 7.)

home financing plan of FHA will be shown how to proceed to obtain loans. Assistance also will be given, if desired, in the preparation of loan applications.

Builders, architects, representatives of financial institutions and building material dealers will be given the opportunity to learn how they may cooperate advantageously in giving encouragement to the building and buying of homes and the improvement of properties through modernization. The conference will be open to all persons interested directly or indirectly in the promotion of better housing.

The federal housing program has been the means of restoring many idle dollars to circulation in Douglas county for the improvement of homes and business properties and it is the belief of housing officials that the opportunity exists for additional stimulation of building activities in this area.

LOAN PLAN OF FHA INCLUDES FARMSTEAD

(Continued from page 7.)

special cases), but may be paid in full earlier than the maturity date if the borrower desires.

"4. Maximum charge, including interest and all fees, cannot exceed an amount equivalent to $5 discount per year for $100 original face amount of the note.

"5. Prospective purchaser files an application showing his financial condition, sources and amount of income and other information necessary to determine his ability to repay the loan.

"If the improvements are considered advisable, the lending institution can advance the money on the personal note of the applicant. No endorsers or co-signers are required, and no mortgage or collateral security is necessary unless state laws or bank officials demand it."

BONUS CASH TO BE SPENT FOR HOMES

Approximately half a million dollars will be distributed among Douglas county's 500 veterans during the coming summer in the form of bonus payments.

A substantial part of that money, it is indicated by a survey conducted by the American Legion several months ago, will be spent by veterans for the purchase of homes and for the improvement of existing properties.

There are more than 34,000 veterans in Oregon and they will receive an estimated $34,000,000. One quarter of that amount, veterans have indicated in their questionnaires, will be invested in real estate. That means that upwards of $100,000 will be spent for homes by Douglas county veterans.

The Legion survey is supported by inquiries received at insured mortgage clinics held in a number of Oregon communities by the Federal Housing administration. About 25% of the eligible inquiries received were those of veterans intending to use their bonus checks as down payments on homes.

Protection of the family should be a first consideration by veterans when they receive their checks, it was pointed out in a White House statement, following final approval of the bonus bill. And it is recognized by the president and officials of the American Legion that use of the cash for something of permanent value, such as a new home or the definite improvement of an existing home will be a reasonable expenditure.

VALUE OF SPACE IN HOUSING STRESSED

Utilization of All Room Contributes Mightily to Home Comfort.

"Make the whole house look livable" is a modernization slogan being brought to the attention of home owners. Analysis of a typical home by the federal housing administration reveals a surprising amount of unused space for which the owner paid good money in the original investment and upon which he is still expending money in form of taxes, insurance, upkeep and similar items.

With expenditure of a comparatively small additional sum, the analysis shows, the home owner can utilize these waste spaces and justify the original investment as well as the cost of modernization. Where the owner has no ready cash available for such work, he can apply to a bank or other lending institution for a modernization loan insured by the federal housing administration, and pay it back in monthly installments.

Lighting, Heat Needed

Basements, often dark and damp and partially used, can usually be modernized into livable, useful quarters. Heating and other service units can be relocated to release the maximum amount of space. Floors and walls can be repaired, ceilings installed, and the walls made damp-proof. Adequate light, heat and ventilation can be provided. Then a few partitions and a little paint will make possible a serviceable fruit and vegetable storage room, a modern home workshop, an efficient laundry and drying room, a basement toilet, a den, library, recreation or children's playroom.

Living quarters of many homes are often antiquated in design and arrangements of space, especially when viewed in the light of modern plumbing, lighting, heating and built-in equipment.

Partitions Can Go

The old fashioned parlor, used only for company and funerals, no longer is considered either necessary or desirable. Likewise, halls, pantries, kitchens, dining and other rooms are often of inefficient size and shape. Changing of partitions often results in saving in work, makes it possible to obtain better light and ventilation, and provides space needed for a larger room, or an additional bedroom, closet, toilet, bathroom or built-in equipment.

The attic is another portion of the home which, at little expense, can be made into two or more livable rooms, with a bathroom, by finishing the floor, installing a few partitions and covering the underside of the rafters with insulating board, plywood or plaster.

LENDERS REPORT BORROWERS GOOD

Character Loans Proving Good Investment Under FHA Guaranty.

In addition to giving encouragement to the spending of many millions of dollars for home repairs and modernization at a time when spending was very much needed to revive the suffering building industry, the modernization credit plan of the federal housing administration has demonstrated that it is a very sound proposition.

Insured credit, which was extended on the easiest terms ever known in this country, not only gave home owners an opportunity to make long-needed improvements but also made it possible for cooperating banks and other lending agencies to put long idle dollars to work building the country back to better times.

Character loans made available under the modernization credit plan, are safe loans. The plan has been in operation since August, 1934, and during that time the claims presented to the federal housing administration by cooperating lending institutions amount to less than one-half of one per cent of the loans insured. The ultimate percentage of loss, it is estimated, will not exceed four per cent.

The modernization credit plan relased private capital to finance repairs and improvements by insuring financial institutions against loss on monthly installment loans for periods up to five years. It made such loans absolutely safe investments for the lending agencies.

Not more than 150 financial institutions were making character installment loans when the national housing act was passed. Now more than 6,000 are making such loans, according to Jamieson Parker, state FHA director.

The direct stimulus of the modernization credit plan to American business has been powerful. More than $56,000 character loans had been reported up to the first of March for an aggregate amount in excess of $300,000,000.

Five times this amount—$1,500,000,000 — in cash or uninsured credit has been spent for modernization, it is estimated, on the basis of reports made by FHA field representatives.

"Borrowers appreciate the convenience of the plan which enables them to make needed repairs to their homes, to improve their living conditions by modernization and the purchase of appliances and equipment so necessary to every home," it was explained by Parker. "They welcome the opportunity to participate in a program which possesses such possibilities for improvement of general conditions as does the modernization credit plan, and they are showing their good faith by making their payments promptly.

"For the enlightenment of those who have not yet participated in the modernization credit plan and who need assistance in improving their homes, buying modern home appliances or modernizing business properties, it should be explained here that any responsible persons with sufficient income to make the required monthly payments, may obtain loans from banks or other approved lending institutions. For home betterments the amount borrowed may not exceed $2,000, but loans up to $50,000 are available for the improvement of income properties or the purchase and installation of eligible equipment and machinery."

RURAL SCENE BUILT FOR DANCE TONIGHT

Those attending the 20-30 club barn dance at the armory tonight will find the dance hall uniquely decorated for the event. Under the direction of Kenneth Lawson, chairman of the committee on decorations, th elarge auditorium has been given a real rural atmosphere, through elaborate design.

The walls are covered with painted backgrounds, and a mellow, golden "Harvest Moon" furnishes a diffused light to replace the overhead lights. The orchestra will be situated on a grassy hillside surrounded by a rustic fence. Bales of hay will provide seats among groves of evergreen trees. Altogether the scheme provides a very attractie and unusual setting for the dance.

General Chairman Harry Sandquist reports everything in readiness and advance ticket sales indicate an unusually large crowd. Old clothes, particularly overalls and gingham dresses, will be the mode.

Music will be furnished by Joe Shirey and his Pied Pipers, who have worked out a number of "hayseed" specialties.

Proceeds from the dance will be used to pay for the new uniforms recently donated by the club to the senior high school basketball team.

The committee heads are Harry Sandquist, general chairman; Kenneth Lawson, decorations; Percy Robinson, tickets; Bernard Young, music and features; Bob Helliwell, publicity and advertising.

Court Clerk J. E. Newborn, of Snow Hill, N. C., has six daughters and three sons, but he wants another son. His great-great grandfather, his great grandfather, his grandfather and his father each had six daughters and four sons.

Woman's Organizations Extending Fine Support to Federal Housing Campaign

Much of the success of the federal housing program in Oregon is attributed by State Director Parker to the fine cooperation of women's organizations in the more populous communities.

Important among recent activities was the sponsorship by the Portland federation of Women's organizations of a model miniature home contest open to students of Multnomah county manual training departments. The models will be exhibited at a special home show to be held in Portland early in June, following which the models will be sent to America's exposition in San Diego.

Miss Manche I. Langley, field representative of the federal housing administration, is in charge of women's housing activities in Oregon, and the work is being carried on through women chairmen in the various counties.

Mrs. William Bell is chairman of the Douglas county section of the women's division.

"Women are the real home makers and therefore they should know all about the federal housing program," it was stated by Miss Langley. "They actually spend about 80 per cent of the family income and we want them to know of the many advantages offered to them under the national housing act by providing financing facilities through private lending institutions to buy, build, modernize or refinance homes.

"The opportunity to make homes more livable, more convenient and more economical of maintenance appeals to Oregon women and those who know what the federal housing administration is seeking to achieve, are enthusiastic supporters of the program.

"There are more than 800 women's divisions throughout the country and they are doing a most effective work in promoting the cause of better housing."

LOAN PLAN OPEN TO BUSINESS MEN

Dollars Spent to Improve Income Property Pay Good Dividends.

Oregon business men and owners of income properties have borrowed more than $100,000 under the modernization credit plan of the federal housing administration for the purpose of modernization and reports received at Portland headquarters of the housing organization indicate that the improvements are yielding big dividends in the form of increased revenues.

The FHA regulations make it possible for owners of income properties to borrow as much as $50,000 for the purpose of property modernization and for the purchase and installation of modern equipment and machinery.

Loans also are available to business men under the regulation which limits loans to $2,000 and many Oregon stores have been improved with credit of that character.

There is an opportunity here in Roseburg to put FHA insured loans to work building new business. Stores that are modern in appearance and efficient in arrangement attract trade, and the money spent for such improvement goes into helpful community circulation.

When the national housing act was passed, it was estimated that some 15,000,000 properties were in immediate need of repair or modernization. In this group were included approximately 750,000 retail stores, as well as other thousands of income properties of various types whose normal improvement has been neglected for five years.

It was further estimated that several billions of dollars worth of machinery was necessary to replace obsolete equipment then in use.

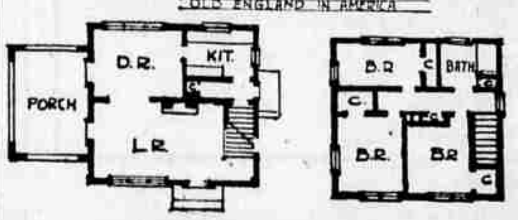
Under the modernization credit plan all types of larger structures and plants can have the long-delayed improvements and machinery and equipment that will bring them up to a high standard of modern efficiency.

ADVICE GIVEN ON WALL CRACK REPAIR

When a crack appears at the joint between the wall and the ceiling it is probably due to shrinkage of the wooden structure or settlement. It might have been prevented by applying strips of metal lath about 8 to 12 inches wide bent down the center and applied to the angle where wall and ceiling meet. This gives a continuous bond at this joint, with 4 to 6 inches of the metal lath on each surface. When shrinkage occurs the metal laths give enough to compensate without cracking the plaster. If possible, when a crack appears it should be cut out far enough on both sides so that this wire reinforcing may be installed. Of course, this is an expensive job, as it means redecorating as well, so if economy is a necessity the crack may be cut out and filled and a picture molding or, better still, a wood cornice put up that will hide the joint and add to the finished appearance of the room.

Old England in America

OLD ENGLAND IN AMERICA



By J. L. PHILLIPS

Out of hundreds of designs used on housing jobs throughout the country this one has proven a most popular one on account of the fine arrangement of rooms, and because of its beautiful exterior.

On the first floor we get a 12'x23' living room, a dining room 10½'x12', and a well arranged kitchen 8'x10½'.

The finish of the woodwork in the first two rooms is shellacked and waxed, and the floor is stained a dark walnut. The plaster has a touch of yellow ochre which gives the sand finish a good soft antique effect.

In the kitchen the woodwork is enameled white with pale canary yellow trimming, the floor black and white squares in linoleum, and the walls are painted a very pale yellow.

Upstairs we have a bedroom 9'x13', another 10'x13', and the third 10'x11'. All are papered in the new washable paper and the woodwork painted. Closets have shelves, shoe racks, and each is fitted with hangers. In the bath room we find that the walls are covered with synthetic tile, but the floor is real tile, and the base also.

Outside the common brick walls are painted white and trimmed in rough cut stone. Windows are standard wood frames and sash, and the front door is of oak planks stained weathered brown with wrought iron hardware.

The heat is conditioned air with humidifier and temperature controls, filter and night cooling. The cost in the Chicago area is under $6000.00 which means that it will cost less most anywhere else. Financed under the Federal loan plan, a loan can be arranged up to 80% of the cost of the house and lot.

Remodeling Suggestions

In the days when the girls wore bloomers, when they went out for a ride on a bicycle, houses were built with a great deal of ornamentation. Gable windows were plentiful, and "gingerbread scrollwork" was used to the limit.

To remodel this type of home is rather a task because there are so many angles and corners to absorb. Great over-hanging eaves have to be cut back where they belong, and useless ornament removed.

In the English style of home we have the gables and sharp lines that enable us to use them to advantage when doing over a home of the 1890's.

Such a house is best veneered with brick up to the eaves, while the gables are half timbered and stuccoed. If there is one gable in front that is going to stay, emphasize it even more by bringing it out over the wall line a little so it can be made a feature of the renovation. Rest it on hewn wooden brackets and make it earn the right to stay by creating the needed touch to the street facade.

Editor's Note. Those interested in getting the suggestions of Mr. Phillips in remodeling their home can do so by sending him a snapshot of the home to be restyled and a request for a sketch of what he thinks would be best treatment and the materials he would use. Accompany the request with $2.00 by money order made out to J. L. Phillips, Warrenville, Illinois.